

SENATE BILL REPORT

SB 6424

AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS,
FEBRUARY 4, 1994

Brief Description: Limiting impact fees imposed under chapter 82.02 RCW.

SPONSORS: Senators Haugen, Winsley, Owen, Loveland, Oke, Snyder and Ludwig

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 6424 be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, McCaslin, Oke, Owen and Winsley.

Minority Report: Do not pass.

Signed by Senator Haugen, Chairman.

Staff: Rod McAulay (786-7754)

Hearing Dates: February 2, 1994; February 4, 1994

BACKGROUND:

Cities and counties may impose impact fees on new real estate development pursuant to their charters or pursuant to the Growth Management Act. Cities and counties which have imposed these fees have required their payment as a condition of issuing a building permit. The payment of an impact fee does not satisfy requirements for the financing of necessary infrastructure required by the concurrency provisions of the Growth Management Act. There is no aggregate limit on the total amount of impact fees plus water and sewer hookup charges, off-site improvement assessments and other charges which may be required for a new development.

SUMMARY:

Payment of any impact fee imposed on a real estate development shall constitute complete compliance with the concurrency requirements of the Growth Management Act. Impact fees shall be collected upon the issuance of an occupancy permit. Impact fees together with all other charges including water and sewer hookup charges and off-site improvement charges may not exceed 5 percent of the value of the project as indicated on the construction or building permit.

EFFECT OF PROPOSED SUBSTITUTE:

All provisions in the bill are deleted. Impact fees are to be paid at the time a building permit is issued.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Excessive impact fees and early collection have a "multiplier" effect on the cost of a house reducing the availability of affordable housing. Impact fees should satisfy concurrency requirements and should be collected when the builder actually gets paid or, at least, closer in time to when the builder gets paid.

TESTIMONY AGAINST:

The amount of impact fees has been overstated. Collecting at the time of occupancy creates problems when buyers are ready to move in.

TESTIFIED: Dick Ducharme, Building Assn. of WA (pro); Rick Lennon, MBA (pro); Jim Hebert, Hebert Research (pro); Karen Miller, Snohomish County; Grace Yuan, King County School Coalition; Dave Williams, Bob Jacobs, Ian Munce, AWC Panel (con); Joe Daniels, WSWWA; Ron Main, King County